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January 13, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
Common Carrier Bureau
1919 M Street NW
Washington, D.C. 20554

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RE: CC Docket 93-292

FCC MAIL ROOM

Dear Mr. Canton:

It was with great interest that I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As the telecommunications professional responsible for my company's communications systems, I am encouraged by the proposed rulemaking. I took each protective step recommended by the IXC's and CPE vendors to secure my systems, and, I can still experience toll fraud. It is impossible to secure my system 100% from fraud. I am especially concerned because my company was victimized for the amount of \$20,000.00 and could very well fall victim again.

PBX owners should not be responsible for 100% of the toll fraud if we don't control 100% of our destiny. Our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs. All of who have a very important part in this issue, but have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords that are well known within the hacker community. Passwords should be created during the installation of the equipment with the customer's full knowledge. CPEs should be required to include security-related hardware in the

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price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

While the programs offered by IXC's, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still do not do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXC's should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXC's were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day. As hackers begin new methods of breaking in to systems by using local lines instead of 800 numbers, the LEC's should be required to offer monitoring services similar to the IXC's.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXC's and LEC's to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties meet the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, the endless opportunities for hackers to compromise our communication systems will as well. I do not believe it when the hackers state they only "hack" to gain knowledge. If this were the case, there would not be a toll fraud problem. While it is the hacker who breaks in to the systems and sells the information, it is the call sell operations that truly profit from it.

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Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the \$5 billing problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

M.D. Health Plan

A handwritten signature in cursive script that reads "Caryl Meeks".

Caryl Meeks
Telecommunications Manager